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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* MICHAEL D. O'SHEA,  
GREGORY BENRUD,  
JOHN A. ANDERLA, and  
IVAN SCHRODT

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Appeal 2009-012009  
Application 10/748,763  
Technology Center 3600

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Decided: April 5, 2010

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Before MURRIEL E. CRAWFORD, BIBHU R. MOHANTY, and  
KEVIN F. TURNER, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION ON APPEAL

## STATEMENT OF CASE

Appellants seek our review under 35 U.S.C. § 134 of the final rejections of claims 1-19 and 21-27. We have jurisdiction under 35 U.S.C. § 6(b).

## SUMMARY OF THE DECISION

We REVERSE.<sup>1</sup>

## THE INVENTION

Appellants' claimed invention relates to a system for providing crossmarketing and promotional offers to a customer using radio frequency identification tagged products and a smart cart including a cart-scale. (Spec. p. 1, ll. 2-4 and p. 10, ll. 18-28).

Independent claims 1 and 18, which are deemed to be representative, read as follows:

1. A system for providing cross-marketing promotional offers to a customer, said system comprising:
  - at least one product inventory location for holding distinct products and displaying said distinct products to customers wherein at least one said distinct product is associated with at least one electronic tag, and wherein said at least one electronic tag is configured to convey product information;
  - a smart cart defining a customer-storage area used by a customer to store products while shopping;

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<sup>1</sup> Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed Nov. 13, 2008) and Reply Brief ("Reply Br.," filed Mar. 23, 2009), and the Examiner's Answer ("Ans.," mailed Feb. 18, 2009).

at least one electronic tag reading device  
configured to retrieve information from the at least one  
electronic tag;

an electronic computing device in communication  
with said at least one electronic tag reading device and  
configured to accept, process, store and output said  
product information;

said electronic computing device further  
configured to:

(a) use said at least one electronic tag reading  
device to retrieve product information from an electronic  
tag associated with a hot-product wherein said hot-  
product is at least one of (i) a product being examined by  
a customer; and (ii) a product in a customer-storage-area;

(b) use said product information to determine if a  
cross-marketing promotional offer is associated with said  
hot-product;

(c) to notify said customer of a cross-marketing  
promotional offer determined to be associated with said  
hot-product; and wherein said promotional offer is one of  
a real time promotional offer and a near real time  
promotional offer; and

wherein said smart cart further comprises an item  
evaluator configured to measure a physical parameter of  
said hot-product placed in said customer-storage area and  
to cross reference the measured physical parameter with  
said product information to verify that the actual hot-  
product corresponds to the product referenced in said  
product information.

18. A network enabled smart cart comprising:

a customer storage area defined in said smart cart  
comprising a scale configured in said customer storage  
area;

a customer interface;

at least one electronic tag scanning device  
associated with said customer interface and configured to

receive electronic tag transmissions from electronic tags associated with hot-products;

a first computer associated with said customer interface;

wherein said first computer is in communication with said at least one electronic tag scanning device and configured to retrieve product information stored in the electronic tags associated with said hot-products;

a first network operating in accordance with a predetermined protocol;

a second network comprising a plurality of said customer interfaces;

a gateway operatively coupled to said first network and to said second network;

an HTTP server embedded in one of said gateway and said plurality of customer interfaces; and

wherein said first computer is configured to establish a communication connection to a third party computer so that a customer can directly communicate with a third party via said customer interface.

#### THE REJECTION

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Sloane	5,918,211 B1	Jun. 29, 1999
Humble	GB 2,193,000 A	Jan. 27, 1988

The Examiner rejected claims 1-9 and 11-13 under 35 U.S.C. § 103(a) as being unpatentable over Sloane. Additionally, the Examiner rejected claims 10, 14-19, and 21-27 under 35 U.S.C. § 103(a) as being unpatentable over Sloane and Humble.

## ISSUES

Appellants argue *inter alia* that Sloane fails to teach or suggest an item evaluator that cross-references a measurement of a physical parameter with the electronic tag data received from a hot product, as generally recited in independent claims 1 and 11. (App. Br. 14). Additionally, Appellants argue regarding independent claim 18 that the combination of Sloane and Humble fails to teach or suggest establishing a communication connection with a third party computer so that a customer can directly communicate with a third party via the customer interface, as generally recited in claim 18. (App. Br. 17).

With regard to Appellants' first argument, the Examiner finds that Sloane's system "... explicitly discloses a video camera as a security device that takes a video image (i.e. a physical parameter) of the product being placed into the cart and compares it with stored image information about the scanned product to prevent fraud." (Ans. 12). Additionally, regarding independent claim 18, the Examiner finds:

... since Sloane explicitly discloses that the consumer interface is in radio frequency communication with the store computer and/or the point-of-sale terminals, it is inherent that connections to other (third-party) computers could be made through the same radio frequency communications, as long as the third party computers have a radio frequency receiving means.

(Ans. 9).

Only those arguments actually made by Appellants have been considered in this decision. Arguments which Appellants could have made

but chose not to make in the Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(vii).

Thus, the issues arising from the respective positions of Appellants and the Examiner are:

Have Appellants shown that Sloane fails to teach or suggest an item evaluator that cross-references a measurement of a physical parameter with the electronic tag data received from a hot product, as generally recited in independent claims 1 and 11?

Have Appellants shown that the combination of Sloane and Humble fails to teach or suggest establishing a communication connection with a third party computer so that a customer can directly communicate with a third party via the customer interface, as generally recited in claim 18?

### FINDINGS OF FACT

The record supports the following findings of fact (FF) by at least a preponderance of the evidence. *In re Caveney*, 761 F.2d 671, 674 (Fed. Cir. 1985) (explaining the general evidentiary standard for proceedings before the Office).

#### *Sloane*

1. Sloane is directed to a system and method for influencing and potentially altering a consumer's purchase decisions at the point-of-purchase in a retail store using a portable bar code in communication with the store's computer. (Abs.).

2. Sloane describes that upon scanning a product's UPC, product information is sent from the hand held scanner to a store's computer and then in return the hand held scanner receives product description and price information from the store's computer. (col. 7, ll. 65-67 and col. 8, ll. 1-12).

3. Sloane describes that its system prevents the theft of products placed into a shopping cart without the consumer scanning the product by visually monitoring the consumers' activity to determine if any theft is taking place. (col. 4, ll. 10-13 and col. 9, ll. 27-43).

4. Sloane describes that the portable bar code scanner transmits product information to the retailer's computer/controller via wireless transmission medium. (col. 7, ll. 49-56).

5. Sloane describes that the retailer's computer/controller is programmed to receive and store promotional information sent by a retailer or product manufacturer, and can therefore offer the promotions at the appropriate time and to the appropriate consumer. (col. 7, ll. 4-26).

6. Sloane describes that after scanning a product, a promotional message is sent to a consumer regarding a discount offered on a complimentary product elsewhere in the store. (col. 8, ll. 41-49).

### *Humble*

7. Humble is directed to an article checkout system which incorporates two weighing scales adjacent to a checkout counter having a UPC scanner. (Abs.).

## PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

Inherency may be established by extrinsic evidence, but “[s]uch evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.” *Continental Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1268 (Fed. Cir. 1991). Inherency may not be established by probabilities or possibilities, and “[t]he mere fact that a certain thing *may* result from a given set of circumstances is not sufficient.” *Id.* at 1269 .

## ANALYSIS

*Claims 1-9 and 11-13 rejected under 35 U.S.C. § 103(a) as being unpatentable over Sloane.*

*Independent claims 1 and 11*

Appellants argue *inter alia* that Sloane fails to teach or suggest an item evaluator that cross-references a measurement of a physical parameter with the electronic tag data received from a hot product, as generally recited in independent claims 1 and 11. (App. Br. 14). To address this limitation, the Examiner found the video camera disclosed in Sloane to be equivalent to an item evaluator. (Ans. 12). Additionally, the Examiner found that the video image of the product being placed into the cart of Sloane was a measurement of a physical parameter. (Ans. 12). The Examiner then further reasoned that since “. . . the video camera images are used for ‘surveillance of the scanned products and the products being placed into the cart’, i.e. the product information retrieved for the scanned product is compared (cross-referenced) to the product information of the imaged products being placed into the cart.” [sic] (Ans. 12). We cannot agree.

Even if the video camera disclosed in Sloane meets the limitation of an item evaluator and the image taken is capable of ascertaining a measurement of a physical parameter, which Appellants argue otherwise (App. Br. 13-14), we cannot find that Sloane cross-references that measurement based on the data received from the product as required by claims 1 and 11, nor do we find it an obvious modification of Sloane’s system.

While Sloane does indeed send product information from the hand held scanner to a controller and then receives product description and price information back as a result (FF 2), Sloan does not teach or suggest that this information is cross-referenced based on the measurement of a physical parameter to verify that the product scanned is the actual product.

Due to the fact that Sloane's system uses a bar code scanner, there would be no reason for Sloane's system to verify that the product scanned is the actual product present in the customer-storage area since a promotional message for a complimentary product is sent as soon as the customer scans the product (FF 6), not after it has been cross-referenced in the customer-storage area by an item evaluator, as required by Appellants' claims. Thus, since a bar code reads the actual bar code on the product, it does not possess the same inherent characteristics of a RFID tag which would require cross referencing a product to verify that the product is actually present within the customer-storage area as opposed to on a nearby shelf or in another customer's cart within range of the customer's RFID tag reader. Rather, we find that any video images obtained in Sloane are used to determine if a theft is occurring when a product is placed in the cart without scanning the item at all. (FF 3). Thus, we agree with Appellants' argument that Sloane fails to teach or suggest an item evaluator that cross-references a measurement of a physical parameter with the electronic tag data received from a hot product, as generally recited in independent claims 1 and 11.

Accordingly, we conclude that Appellants have shown that the Examiner erred in rejecting claims 1 and 11 under 35 U.S.C. § 103(a) as

obvious over Sloane. As such, we find that the rejection of claims 2-9, 12, and 13 was also made in error for the same reasons discussed *supra*.

*Claims 10, 14-19 and 21-27 rejected under 35 U.S.C. § 103(a) as being unpatentable over Sloane and Humble.*

*Independent claim 18*

Appellants argue *inter alia* that the combination of Sloane and Humble fails to teach or suggest establishing a communication connection with a third party computer so that a customer can directly communicate with a third party via the customer interface, as generally recited in claim 18. (App. Br. 17). To address this limitation, the Examiner found that since Sloane's system sends data back and forth from the customer's scanner using wireless data transmission, it would be inherent that connections to third-party computers could be made through the same wireless connection. We cannot agree.

While we agree with the Examiner that Sloane's system establishes communication between the customer and the store (FF 4) and the store may receive promotional information from a product manufacturer (i.e., third party) (FF 5), we cannot agree with the Examiner that a direct connection to a third party through the same wireless medium would be inherent. Furthermore, we cannot find a teaching or suggestion in the combination of Sloane and Humble that would make a system where the customer is in direct communication with the third party as required by Appellants' claim 18 obvious.

Thus, we agree with Appellants' argument that the combination of Sloane and Humble fails to teach or suggest establishing a communication connection with a third party computer so that a customer can directly communicate with a third party via the customer interface, as generally recited in claim 18.

Accordingly, we conclude that Appellants have shown that the Examiner erred in rejecting claim 18 under 35 U.S.C. § 103(a) as obvious over Sloane and Humble. As such, we find that the rejection of claims 19 and 21-27 was also made in error for the same reasons discussed *supra*.

Additionally, we do not find that the disclosure of Humble cures the deficiencies in the rejection of claims 1 and 11, as discussed *supra*. As such, with regard to claims 10 and 14-17, which depend on claims 1 and 11, we conclude that the rejection of claims 10 and 14-17 was also made in error for the same reasons discussed *supra*.

### CONCLUSION OF LAW

We conclude that Appellants have shown that Sloane fails to teach or suggest an item evaluator that cross-references a measurement of a physical parameter with the electronic tag data received from a hot product, as generally recited in independent claims 1 and 11.

We conclude that Appellants have shown that the combination of Sloane and Humble fails to teach or suggest establishing a communication connection with a third party computer so that a customer can directly communicate with a third party via the customer interface, as generally recited in claim 18.

DECISION

The decision of the Examiner to reject claims 1-19 and 21-27 is  
REVERSED.

No time period for taking any subsequent action in connection with  
this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv)(2007).

REVERSED

ack

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